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ABSTRACT

This booklet examines the political events of the year 1912 in which the idea of the Federal Reserve System came into reality. Excerpts from reminiscences, letters and newspapers of the time give an inside look at the divergent forces and personalities that were brought together to form the central banking system of the United States. Sections of the booklet include: (1) "Christmas 1912"; (2) "Two Opposing Solutions"; (3) "The Aldrich Plan"; (4) "Spring"; (5) "Bryan's Diminishing Opposition"; (6) "McAdoo's Compromise"; (7) "Summer"; (8) "Thunder on the Right"; (9) "Counterattack in the Center"; (10) "Thunder on the Left"; (11) "Autumn"; (12) "Progress at a Standstill"; (13) "The Crumbling Opposition"; (14) "Christmas 1913"; (15) "A Holiday Delayed"; and (16) "The Final Proceedings." Contains 18 references. (EH)

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A Christmas Present For The President

A SHORT HISTORY OF THE CREATION OF THE FEDERAL RESERVE SYSTEM

SO 027 136

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A Christmas Present For The President

GERALD T. DUNNE

Foreword

The idea of the Federal Reserve System was born of the financial turmoil plaguing the nation at the turn of the century. This book examines the political events of the year in which this idea became reality. Excerpts from reminiscences, letters and newspapers of the time give an inside look at the divergent forces and personalities that were brought together in the formation of our central bank.

A Christmas Eve snow began falling in New York at one in the morning and kept up until four in the afternoon. Eleven inches in Manhattan and over 15 in northern New Jersey gave the area the whitest of Christmases, but it delayed Christmas deliveries, made the ocean liners stand off New York harbor, and generally blocked streets, highways, and railroads. It also raised some question as to whether Congressman Carter Glass of the Sixth (Lynchburg) District of Virginia and Parker Willis of the New York *Journal of Commerce* would be able to see Woodrow Wilson in Princeton, New Jersey, on December 26. Presumably, it was an important meeting. At least it was the only conference that the President-elect did not strike from his calendar when a heavy cold ruined his Christmas and kept him from enjoying the 42-pound turkey the Democrats of Kentucky had sent for his dinner. Thanks to horse-drawn snowplows, the railroad tracks to Princeton were cleared, and the two callers kept their appointment. "Dr. Willis," reported the *New York Times*, "came with a bundle of documents."

The documents concerned plans for monetary reform, the great American game in which the sky was the limit and any number could play. For almost 50 years, discussions and proposals on the subject had come and gone *ad infinitum* and almost *ad nauseam*. There had been the Jones Commission of 1876, the Indianapolis Currency Convention of 1897, the National Monetary Commission of 1908, the Columbia University Conference of 1910, and the Pujo Committee of 1912. There had been the Mühleman plan, the Baltimore plan, the Morawetz plan, the Warburg plan, the Walker bill, several Fowler bills, the Williams bill, the Aldrich bill, the Vreeland bill, and the Aldrich-Vreeland bill. Glass called his committee the graveyard for bills, but still they came from a host of interested individuals and organizations. The American Bankers Association had its Currency Commission and the New York Merchants Association its Special Currency Committee. There was the National Citizens League for a Sound Banking

System. Even the West Side YMCA had its Finance Forum.

The plan brought by Wilson's visitors had been worked out earlier that winter in a congressional subcommittee of which Glass was chairman and Willis technical adviser. It had not yet been reduced to a legislative draft, but the core idea had been fairly well developed. This envisaged a series of incorporated clearinghouse cooperatives (any 10 national banks might apply to form one) that would hold part of the cash reserves of their member institutions and issue a special bank note currency against gold and prime bank paper. The cooperatives would be chartered and supervised by the Comptroller of the Currency, who already performed these functions for national banks.

The three components of the plan — cooperatives, currency, and reserves — epitomized the deficiencies of the American monetary system. The cooperatives were proposed because the government lacked a central bank, either in form or function, to manage its monetary apparatus. Such had not always been the case. Indeed, the first and, particularly, the second Bank of the United States had been pioneers in central banking techniques. All this, however, ended when Andrew Jackson, on July 10, 1832, issued his thunderbolt veto against the second bank — "unauthorized by the Constitution, subversive of the rights of the states, and dangerous to the liberties of the people" — and so shaped national attitudes as to guarantee that a central bank in European form would never again take root in American soil.

The currency situation was, in turn, the direct consequence, for the paper money of the United States in December of 1912 was, to use the language of the day, "inelastic." Part of it consisted of bank notes that national banks issued against the security of government bonds and that were limited in amount to the value of such security. Likewise fixed in quantity was the other component of the currency, the legal tender Treasury notes still known by their Civil War name of greenbacks.

The cost of this structural rigidity was demonstrated time and again in the failure of the reserve system — the requirement of both prudence and law that a bank keep a special fund either on hand or on deposit as protection against unusual withdrawals. Perversely, the very fractional character of the reserve and the inherently scarce nature of currency guaranteed that only a small proportion of demands could be paid in cash if a bank really came under stress, and the fear of an unavailability of money accordingly guaranteed stress. The result — runs of individuals on banks, runs of banks on banks, forced sale of securities and the calling of loans — were a guarantee of loss, liquidation and catastrophe. "A panic," stated Walter Bagehot,

editor of the London *Economist* and British constitutional essayist, ". . . is a species of neuralgia, and . . . you must not starve it. The holders of the cash reserve must . . . advance it most freely. . . . In wild periods of alarm, one failure makes many, and the best way to prevent the derivative failures is to arrest the primary. . . . "

Two Opposing Solutions

Solutions for the inadequacies of the monetary apparatus could be collected in two procrustean beds. One contemplated building on the existing banking structure by, first, creating some repository holding collective reserves and serving as lender of last resort to banks under pressure, and, second, letting banks monetize their best assets by issuing bank notes against them. Not that this would turn the forces of monetary control completely over to private hands or leave it to the impersonal forces of *laissez faire*, for some degree of governmental involvement was proposed in all plans embodying these concepts. As Bagehot had said, money would not manage itself. Nevertheless, all such "banking" plans also contemplated that the major part of the apparatus would be under the control of private enterprise, and thus ran irreconcilably counter to the second school of reform, which looked to the Bureau of Printing and Engraving for its solution and summarized its case in the 1876 Greenbacker blessing of legal tender Treasury notes as "the best circulating medium ever devised."

This attitude was strongest in the rural West and South, doubly beset by high interest rates on mortgage and crop money, and low prices for the crops themselves. The underlying cause — overexpansion of farmland — had not been produced by monetary or banking factors nor could it be cured by them, at least within conventional and traditional short-term, unsecured, self-liquidating bank loans. Indeed, Bagehot had said a man became a banker when he was able to tell a note from a mortgage.

Nonetheless, and for a variety of reasons, the agrarian rebels saw cheap and plentiful money not only as a cure for panics but as their salvation generally. Their conviction that a banking system in private hands kept it scarce and dear made for a succession of basically similar proposals — first of the Greenbackers, then of the Populists, and, finally, in 1896, of the Democrats with William Jennings Bryan. "Congress alone," stated the platform of that year, "has the power to coin and issue money, and President Jackson declared this power could not be delegated to corporations or individuals."

However, capture of the party in 1896 by the forces of revolt drove any number of Democrats out of it, including Dr. Woodrow

Wilson, professor of jurisprudence and political economy at Princeton University. With historical insights based on his professional knowledge of the American past, including the inflationary episodes of the Revolution and Civil War, Wilson denounced Bryan with great force, assailed his theories as foolish and immoral, and even refused to sit on the same platform with him. To be sure, Wilson's vehemence could go untempered by prudence, for his ambitions were academic, not political, and they seemed to have been achieved in 1902. "Isn't it fine," wrote one observer, "that Woodrow Wilson is to be President of Princeton? He is, of course, pretty conservative, but nevertheless the various social sciences ought to stand a pretty good show under his administration."

Yet shortly after he attained the university presidency, the idea must have occurred to Wilson that the other office was within his reach. Slowly, almost imperceptibly, he began a *rapprochement* with those forces in the Democratic party that he had previously alienated, and Bryan, retreating from the extreme position of 1896, commenced a counterpart action. The reconciliation, a long time in coming, was dramatically manifested at the Democratic convention of 1912 when Bryan, after 45 deadlocked ballots, threw his support and the nomination to Wilson, now the one-term governor of New Jersey.

The convention struggle was particularly hard fought because the Roosevelt-Taft split had made nomination the virtual equivalent of election. For this reason the Democratic party, which was as badly divided on the currency issue as it ever was on slavery, nonetheless managed to close ranks around an ambiguous plank asserting that banking should be the servant, not the master, of commerce, and denouncing "the Aldrich Plan or the establishment of a central bank."

The Aldrich Plan

Announced in January of 1912 after four years of formulation, the Aldrich plan was the end product of a monetary inquiry to end all monetary inquiries. It was designed by the National Monetary Commission, a bipartisan official body set up in 1908 as a consequence of the financial panic of the preceding year, and named after the chairman, Senator Nelson Aldrich of Rhode Island. The commission employed a large staff of economists who produced an extensive number of reports. The plan proposed to resolve the American monetary problem through the foundation of a $100 million multibranched corporation called the National Reserve Association. All national banks and qualifying state banks might become members by subscribing a percentage of their capital and thereafter be associated

in a network of subassociations. The banks would choose, directly or otherwise, 42 of the association's 46 directors with the remaining four being appointed by the government. The association would issue bank notes against its member banks' prime borrowers' paper, thereby permitting the economy to generate money on schedules and in amounts proportioned to its needs. Banks might or might not carry their reserves with the association.

Characteristic of the latent fission in the Democratic party were the varied responses to the proposal. A group of conservative Democrats in New York, headed by Henry Morgenthau, Sr., thought the Aldrich plan meritorious and constructive. Predictably, the Bryanite wing of the party recoiled in horror; Senator Robert Owen pronounced it "a *Central, All-Controlling Bank* in Private Hands." The party's center, exemplified by Glass, was similarly hostile to "that imperialistic scheme to seize the banking business of the United States."

Holding control of the House of Representatives by virtue of the previous election and with an eye cocked on the forthcoming presidential contest, the Democrats chose to take the plan on the flank rather than by frontal attack. Complaints were raised as to its cost ($102,357.37) and suggestions persistently made that the array of reports merely duplicated material already in the Library of Congress. The House Banking Committee gave the Aldrich proposal virtually no consideration at all. Rather, it divided itself into two subcommittees. One launched still another investigation into monetary and banking conditions, this time focusing on concentration of financial power ("the money trust") and coming up with sensational fact and still more sensational inference. The second group, headed by Glass and with Willis as its technical expert, undertook to consider actual legislation.

It was this chairmanship that prompted Glass to seek an interview with the President-elect. He was not the only one who was curious about the latter's views, for Wilson had won the presidency by proving his own statement that the "shoals of candidacy can be passed only by a light boat which carries little freight." Typical of this wary noncommitment was the enigmatic response on the Aldrich plan (". . . probably about 60 or 70 per cent correct. . . .") to a group of New York conservatives seeking his support for it.

It was obvious that Wilson must have views on the matter; he had taught economics for 10 years. A fellow graduate student at Johns Hopkins testified to his having read "almost everything that had been written on the monetary and banking history of the United States." Indeed, the one man Wilson called his "master" was Bagehot, whose writings included the all-time monetary classic, *Lombard Street*. Yet it

was also true that Wilson, fascinated by both philosophy and power, was bored by manipulative skills, monetary and otherwise. "Neither in that first meeting at Princeton or at any other," said Glass, "did Mr. Wilson exhibit familiarity with banking technique."

Doubtless this attitude accounted for the lackluster performance in his brief practice of law, but it also saved him from the hazards of any doctrinaire utterance in the monetary controversy where dialogue had been reduced to a sterile reiteration of irreconcilable points of view. It also permitted him to review the Glass proposal for the decentralized cooperatives not as an economic formula but as a basis of political accommodation. He manifestly liked what he saw in both the man and the measure. He badly needed a legislative leader in the House, for he had defeated both the speaker and the Democratic floor leader for the party's nomination. Glass seemed almost heaven sent for the part, and so did the proposal, whose fresh and novel approach suggested a possibility of flanking the hardened lines of confrontation. He accordingly endorsed the regional orientation of the Glass plan but suggested that the district cooperatives be given more of a public character by providing for some nonbanker directors. Another of his suggestions was for replacing the Comptroller of the Currency with a board — a "capstone," Wilson called it.

After two hours of discussion from his sickbed, he sent his visitors away with the commendation that they were "far on the right track." Indeed, they were farther along than they knew. Wilson had not been elected on a platform of monetary reform and, in fact, had avoided explicit statements throughout his campaign. It might well be said that an implied promise of his candidacy, doubly relevant by virtue of his status as a minority president, was a commitment to not rock the boat. Yet well before his nomination to the presidency, Wilson had both spoken his mind and suggested his ambition: " . . . waiting to be solved, lying as yet in the hinterland of party policy, lurks the great question of banking reform. . . . This is the greatest question of all. . . . "

Spring

Frustration on monetary reform, as far as a Democratic administration was concerned, could be summed up in three words: William Jennings Bryan. His power was sufficient to block any measure. Yet no monetary measure that had his approval could be passed, or so it seemed. For the aggrieved, agrarian Bryan was the anointed leader. The days of William Jennings Bryan, asserted a venerable congressman (R.T. Buckler) in 1935, "were fighting days; if you said anything against Bryan, you got knocked over, that is all." To others he was either knave or fool, but in either capacity the most dangerous man in the country.

To this was added a constitutional difficulty — the old provision that required the lame-duck Congress to meet immediately after the November elections and deferred the convening of the newly elected Congress until considerably thereafter. As a consequence, members of the House of Representatives found themselves in the summer primaries almost as soon as the new Congress had gotten down to business. And this meant the Congressmen were back home, subject to local pressures, and under compulsion to avoid antagonizing anyone in the controversy that was more a search for allies than a quest for truth.

The constitutional difficulty could be overcome with the presidential power to convene extraordinary sessions of Congress, and thus Wilson did almost as soon as he had taken the inaugural oath. His specific objective for the special session was tariff revision, a subject on which his party was tolerably well united. Nevertheless, his message carried a broad hint that other matters were afoot: "At a later time I may take the liberty of calling your attention to . . . reform of our banking and currency laws."

Actually, the currency bill had been the subject of extended action well before Wilson's inaugural. At the President-elect's suggestion to stay at work, to give all points of view a chance to be heard but to avoid any indication of any particular plan, the Glass subcommittee

had droned through hearings in January 1913, and a draft bill, embodying the material covered in the Princeton meeting, had been reviewed in Wilson's Trenton offices on January 30. The work of securing the indispensable approval of Bryan had begun a month earlier, actually five days before Glass and Willis went to Princeton.

Apparently nothing came from the three-hour conference on December 21, 1913, when Bryan visited the Wilson home and emerged with a wilted collar instead of the anticipated Cabinet appointment. Wilson apparently wanted to subject Bryan to a sense of apprehension and insecurity, for he delayed until almost the last minute in appointing him Secretary of State. Happily, the condition of the world was such that, aside from some rumbles in Mexico, the job was the easiest in the Cabinet. Indeed, filling it was quite compatible with continuing on the chautauqua lecture circuit, an item Bryan made a condition of appointment.

Bryan's Diminishing Opposition

Bryan had mellowed considerably from the firebrand of 1896, and his association with the radical elements of the Democratic party that bore his name was more vestigial sentimentality than position of command. Nonetheless, characteristic of his still provocative qualities was the attitude of the *Times*: "There are many good reasons, sound public reasons, why Mr. Bryan ought not to be appointed to cabinet office." Out in Chicago, "Mr. Dooley," an Irish bartender/philosopher created by political satirist Finley Peter Dunne, looked at Bryan's talents and advanced a countervailing reason why the man would be less dangerous within the Administration than outside it: "With a brick in his hand he's as deadly as a rifleman. An' I'd rather have him close to me bosom than on me back."

Thus, with one brilliant stroke and in a policy of calculated estrangement, Bryan was checkmated during initial deployment. Neutralizing the orator of 20 years before would have been a difficult if not impossible task. The fire, however, was burning low, and at the initial Cabinet meetings the sole echo of the old philippics was Bryan's weekly inquiry on a pending agrarian bill: "Why shouldn't Congress lend the farmers money at 4%?" (Secretary of Agriculture David F. Houston would explain why not, and, duly satisfied, Bryan would indicate agreement until he repeated the question the following week.) This containment of Bryan was, however, only one part of the strategy of preventing, at all costs, a defensive coalition between the radicals and the conservatives. Avoiding any premature move was another item, and, to this end, formal organization of the House Banking and Currency Committee was deferred when the new

Congress convened on April 8, 1913, pursuant to the President's call.

Yet even this shrewd move had its price and its dangers. Glass, who by seniority would be the committee's chairman, was placed in the distasteful position of dependence on the Administration, for it was uncertain whether the selection would be made in the traditional manner. Bryan, with an obvious eye to putting an agrarian radical in the chair, had been suggesting that the customary method of selection be scrapped, and, curiously, the conservative financial-interests were manifesting a like point of view but from a diametrically opposite motive. "You know, Willis," a powerful banker told the committee's adviser, "there *is* such a thing as getting a Committee chairman who will accept our [Aldrich] plan."

The presumption in the remark was not without foundation; ever since the turn of the year and, in fact, even before, Wilson's closest adviser had been in New York carrying on conversations with the prominent representatives of the world of finance. The adviser was Colonel Edward M. House, wealthy son of an English immigrant, who previously had managed the campaigns of several Texas governors. As this background suggested, the colonel's taste ran to behind-the-scenes negotiation, and the New York assignment was one he relished particularly:

> "December 19, 1912, I talked to Paul Warburg over the telephone regarding currency reform. . . ."
> "February 26, 1913, . . . I first talked with Mr. Frick and afterward with Otto Kahn. . . ."
> "March 27, 1913, Mr. J. P. Morgan, Jr., . . . came promptly at five."

In addition to his glamorous reputation, the colonel carried impressive credentials in the form of a copy of the Glass proposal. It was characteristic of both his standing and his methods that, when his request for a copy had been refused by Glass, he successfully renewed his bid through the President.

Secrecy would have been difficult enough even with only the colonel's operations involved. But there were others; Glass himself had undertaken to review the measure with the Currency Commission of the American Bankers Association. Hence, in the Washington atmosphere of surveillance, tale bearing and espionage, it was impossible to keep rumors of developments out of the press ("CURRENCY BILL BEING DRAWN," announced the *Times*), much less away from the Secretary of State.

Bryan may have been mellowing, but he was still a man whose entire public career and philosophy had been built on the proposition that currency issuance was a governmental function that had been usurped by the banks. He was exceedingly disturbed at those provisions of the Glass bill contemplating currency in the form of bank notes rather than greenbacks. He confronted first the presidential

secretary ("Who from Wall Street has been discussing this bill with the President?"), then his fellow members in the Cabinet ("I broke with Cleveland on the money question. . . . ") and, finally, Wilson himself. The President evaded a showdown and responded to the secretary via statements to third parties alternating rebuff ("It begins to look as if W. J. B. and I have come to the parting of the ways. . . . ") and conciliation ("There is much in what Mr. Bryan says."). For his own part, Bryan was also capable of psychological warfare, and offered not only to resign but even to leave the country so as to avoid embarrassing the Administration on a currency measure he could not support.

McAdoo's Compromise

Wilson wanted no part of such heroic immolation and turned Bryan over to the Secretary of the Treasury. William G. McAdoo, one-time attorney, securities salesman and promoter, never worked harder than he did at that University Club spring luncheon in attempting to bring Bryan behind the Federal Reserve proposal by making the Reserve Bank notes government obligations. It is one of history's minor mysteries that, notwithstanding the flood of books on the origins of the Federal Reserve Act, no one seems to know who thought up the compromise, although the concept bears McAdoo's promoter's touch. Irrespective of authorship, however, and almost unbelievably, the idea of crossing the greenback and the bank note, making the Federal Reserve notes obligations of the issuing banks *and* of the government, served its purpose: it resolved at one swoop the controversy of 50 years. Bryan acceded: "If the provisions . . . are inserted, the bill would satisfy me and I could give it my hearty support."

Indeed, before the spring had ended, the problem for Wilson became not that of capturing Bryan, but of holding Glass on the party reservation. The peppery Virginian, whose pride was that his bill provided a currency based on commercial assets rather than the government's printing press, was furious over the McAdoo currency compromise, and it took a major effort by Wilson to soothe him.

Glass did, however, best McAdoo in another confrontation. This occurred in late spring when the Secretary of the Treasury, skeptical of the capacity of the Glass bill to steer clear of the twin hazards of reaction and radicalism, turned his brilliant and energetic talents to devising a rival plan of currency reform. Doubtless undertaken in collaboration with Colonel House, the McAdoo plan envisaged a Treasury bank, a massive issue of Treasury notes and a sequestration of gold. McAdoo claimed for it widespread support of

both conservative bankers and radical reformers. Glass was dumbfounded when McAdoo disclosed the details. ("Are you serious . . . ?" "Hell, yes," was the reply.) Glass quickly obtained telegraphic condemnation from the supposedly sponsoring bankers and torpedoed the idea so completely that years later McAdoo lamely explained the whole thing as a *ruse de guerre* thought up to push banks behind the Glass proposal.

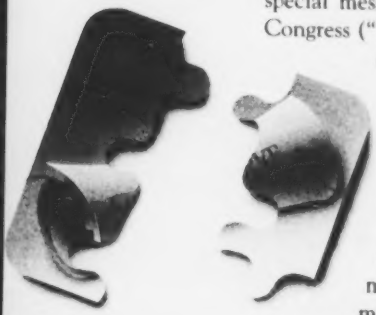
Glass lost the third skirmish. This time his antagonist was his opposite number, Robert Owen, chairman of the Senate Banking Committee. Strong-minded, even opinionated, Owen had been for many years a student of banking affairs. He was the founder and long-time president of the First National Bank of Muscogee (then Indian Territory). He had seen financial panic firsthand and had studied European systems in trips abroad. He was drawing up his own bill based on this experience, and it was to be expected that the pride of authorship and sense of expertise would make him doubly critical of the Glass measure.

Owen's specific reservations were not the ones that might be expected from a seasoned banker; they were based on apprehension over the degree and character of control over the Federal Reserve System that was to be given to the member banks. Actually, Wilson shared this feeling somewhat, and it was at his suggestion that, in the early stages of drafting, the corporate structure of the issuing reserve banks had been progressively amended to emphasize their public character. The number of directors had been reduced from 15 to nine, and only three of these might be bankers. The remaining six were divided equally between directors appointed by the government and directors elected by the banks but representative of borrowing businesses. A mixture of public and private interests also characterized the superintending board. Originally contemplated and variously structured in the early drafts of the Glass bill was a bicameral structure of a large Federal Reserve Commission (drawn principally from the banks but with a few government representatives) and a small Federal Reserve Board drawn from the same sources but in reverse proportion.

Banker representation was particularly repellent to Owen, and he forcefully argued the point at the White House. "After a discussion of two hours . . . ," Owen later recalled, "the President coincided with my contention that . . . no individual, however respectable, should be on this Board representing private interests." Notwithstanding the vigorous and repeated objections of Glass, Wilson ordered the central board to be a wholly governmental body of nine men. His fragile coalition formed by bargain and counterbargain, Wilson prepared to send the bill to Capitol Hill and overrode an adviser's suggestion that submission was untimely. ("We shall never

find the time . . . because whenever action is contemplated the same obstructions will arise.") Still very much the schoolmaster, he rallied his forces for the hard fight ahead with a reminiscence of his academic days: "When the boys at Princeton came to me and told me they were going to lose a football game, they always lost. We must not lose this game; too much is involved."

Summer



McAdoo reminisced years later: "As I look back on that ardent summer of 1913, I wonder how the Federal Reserve Act ever struggled into existence." The intensity of the heat of the early summer was a matter of universal concern, and even Wilson remarked on it in the special message on banking reform he read to a joint session of Congress ("The heated season of the year is upon us"). In the large cities, crowds gathered to watch record highs recorded on electric signs, while in the country much of the corn crop shriveled under the blazing sun.

Washington exceeded its usual torrid self, and Wilson sent his wife and daughters off to the coolness of New Hampshire. Members of Congress, feeling the heat of both weather and politics, suggested that the monetary proposals be shelved temporarily so that they might follow the example of the first family. Adjournment, however, was absolutely out of the question for, in all probability, a return home and exposure to local pressures meant stalemate and frustration. Drawing the utmost advantage from his frigid face and impeccable Palm Beach suit, Wilson sent an imperious refusal back to Congress: "Please say to those gentlemen on the Hill who urge a postponement of the matter that the Washington weather . . . fully agrees with me and that unless final action is taken on this measure at this session, I will immediately call Congress back. . . . "

In addition to the tactic of keeping the presidential pressures to a maximum and the local ones reduced, Congress had to be kept in session to exploit once more the maneuver that had been so successfully used in Wilson's opening gambit on the tariff. The first move in the sequence was to skip public hearings on the ground that these had already been held at nauseating length. (Here, the Glass hearings of January suddenly took on new relevance.) Then, in rapid succession, the subsequent steps unfolded: alignment of the Democrats on the key committee,

endorsement of the bill by the Democratic caucus, and finally, with the party formed into a phalanx, submission of the measure to general debate. Speaking for the Republican minority, Senator Knute Nelson bitterly charged the Democrats with creating a "new parliamentary rule. . . . When your president or you see fit to label a measure a party measure . . . [you] hold a party caucus on it . . . and ignore us." The Democrats replied that they were merely following the precedent established by "Czar" Thomas B. Reed during the Republican ascendancy. They might have also cited Wilson, the graduate student, who called the caucus "the drilling ground of the party," and who noted that " . . . unfortunate as the necessity is for the caucus' existence . . . that necessity exists and cannot be neglected."

Thunder on the Right

Exemplifying the divergent extremes threatening the bill and justifying the Wilsonian legislative tactics was the opposition manifested by both the Bryanite radicals in the House Banking Committee and by the Currency Committee of the American Bankers Association. Some members of the latter group had been extremely critical when Glass reviewed the bill with them the preceding spring.

The American financial community saw the banking network, notwithstanding its faults, as a delicate, sensitive and complex instrument whereby funds were collected and allocated throughout the country through the medium of reserve balances kept with large banks in the financial centers. Generally, the disposition was to keep what was known and to improve on it by drawing on European experience with a single central bank. Glass, on the other hand, viewed the deposits kept by country banks in the financial centers as local money hidden away from worthy local uses to finance gambling in the commodity and securities markets. Moreover, his Virginian distaste for being ruled from afar found a central bank in Wall Street or a Treasury bureau in Washington equally repellent. For him, the transfer of reserve balances from the money markets to the regional reserve banks were a *sine qua non* of reform. For most bankers, such a transfer was an act of doctrinaire folly capable of starting the "damnedest panic this country has ever seen."

More outrageous to bankers at the moment, however, was the elimination of their representation from the proposed Federal Reserve Board, charged with superintending what they were supposed to found and finance. In this sense of injustice they had the full support of Glass. In fact, Glass secured a White House appointment for June 30 in order that the bankers might make a collective statement of grievances. From the bankers' point of view, they had unwittingly

secured a bad place on the presidential calendar. Wilson had just accepted an unwanted invitation to make an Independence Day speech at Gettysburg. While unwanted, the commitment reinforced a sense of office which needed little strengthening. "Nothing must be suffered to subtract by an iota from the force I need to do the work assigned to me," Wilson wrote his wife the night before the meeting.

Apparently, the visitors did not sense his mood, for they hammered their case home with such forcefulness that Glass began to regret subjecting the President to the ordeal. He need not have been so apprehensive. Wilson had remained icy and self-possessed through the initial confrontation. His response to the round of protests was a mock-simple inquiry as to whether any civilized country put representatives of private interests on governmental commissions. "There was," recalled Glass, "painful silence for the longest single moment I ever spent; and before it was broken, Mr. Wilson further inquired: 'Which of you gentlemen thinks the railroads should elect the members of the Interstate Commerce Commission?' "

The bankers' failure to speak was not due to an inability to respond with facts, for they could have cited cognitive European precedent. Rather, the silence was the reaction of men of affairs who knew they just lost a critical test of strength. Moreover, it could well have manifested apprehension of a presidential riposte marking them out as the sacrificial victims chosen to advance the administration's monetary program. Certainly, the current battle over the tariff offered an ominous precedent, for there Wilson's reaction to opposition was a slashing and personalized counterattack ("WILSON DENOUNCES TARIFF LOBBYISTS," cried the *Times*).

Counterattack in the Center

The bankers retired in disorder. Some elected to support the Glass bill on the basis of the conciliatory counteroffers that the Administration had tendered — an extension on the transfer of reserves from the money markets to the Reserve Banks and the creation of a Federal Advisory Council as a supplementary apparatus to the all-government Federal Reserve Board. Most other bankers were uncompromisingly and publicly hostile — so much so, in fact, that when a sudden economic faltering occurred in early summer, McAdoo promptly accused the big banks of dumping their government bonds in an effort to sabotage the monetary reform via market turbulence.

He did not seem particularly discomfited when publication of portfolio figures indicated banks had been net buyers of government bonds during the period in question. Rather, as the evidence came in,

it became abundantly clear that the ubiquity of the malaise could not possibly be the work of a few banks. Stock and bond prices slithered, the call-money rate jumped and crop loan demand stiffened. All were the historic symptoms of an approaching money panic. As quick to act as he was to accuse, McAdoo responded with a countrywide offer of government deposits to be collaterized by bonds, the traditional security, and by note portfolios, which was unprecedented. The bold maneuver told. With one stroke, McAdoo eased credit, firmed the securities markets, financed the harvest and nipped a disturbance, if not a panic, in the bud.

McAdoo obviously had another objective in mind — to split the banking community along a big-small line. Indeed, a sign of this tactic had clearly emerged in June when Senator Owen went back to his native state, addressed the Virginia Bankers Association ("The time has come for the big banks in this country to get out of the governing business") and came back with its endorsement of the Administration program. Yet the Virginia action was a false dawn; as summer progressed, it seemed apparent that the banks, large and small, were coalescing on the side of the opposition.

Extended reflection was producing a growing opposition on the part of bankers toward the transfer of reserve balances to the proposed and unprecedented regional banks. "A banker," wrote Bagehot, "dealing with the money of others, and money payable on demand, must be always, as it were, looking behind him and seeing that he has reserve enough. . . . Adventure is the life of commerce, but caution . . . is the life of banking." Hence it came as no surprise that when the Currency Commission regrouped in Chicago, it pronounced the Glass bill dangerous folly and proposed that, in lieu of legislative action at the current session of Congress, still another commission be formed to study and report.

Thunder on the Left

The agrarian Democrats on the House Banking Committee seemed to be as hostile to the Glass bill as the bankers were. Indeed, news of the dissension on the majority side of the committee worried Mrs. Wilson almost as much as her husband's bachelor regimen. On the latter count, Wilson responded that while he was eating well and taking exercise, "the real source of youth and renewal for me is my love for you, the sweetheart I picked out the moment I laid eyes on her and who has been my fountain of joy and comfort ever since." His comment on the Federal Reserve bill was less lyric: "It happens, by very bad luck, that practically *all* the men likely to . . . give trouble, whether in the House or in the Senate, are on the Committees now

handling the matter. When once it is out of their hands, I believe we will have comparative plain sailing." The commentary was ironic, for the Democrats on the House Banking Committee had been practically handpicked for amenability to the Administration program. Yet, the Bryanite Democrats were too numerous to be completely excluded, and there was a vigorous trio on the banking group. They had their own bill, which proposed to mend the currency problem by a gigantic issue of greenbacks that would in turn be tied to price supports for farm products, funds for public works and loans to commercial enterprise. (It was this proposal that prompted Bryan's weekly question at the Cabinet meeting.) Masterminded by Congressman Robert L. Henry, chairman of the powerful Rules Committee, they fought Glass step by step. At one point they almost goaded the Virginian into throwing in his hand, and it took an unprecedented flash of profanity from the President to send Glass back to the fight: "Damn it, don't resign, old fellow; outvote them."

Thanks to the repeated intervention of the President, Speaker Champ Clark and Majority Leader Oscar Underwood, the bill finally cleared the majority side of the Banking Committee on August 6 by an 11 to 3 vote for presentation to the party caucus. Yet the divided vote gave cause for some uneasiness, and the apprehension was reinforced when Henry took the floor of the House and floridly commemorated Congressman Bryan's break with President Cleveland over the money question.

At the caucus, Henry was far more direct and forceful, and, speaking in the best cross-of-gold tradition, invoked the shade of Andrew Jackson against the Glass bill. Glass spoke in rebuttal for the Administration and brought an irresistible weapon into play — a letter from Bryan calling on his followers "to stand by the President and assist him in securing the passage of this bill at the earliest possible moment." Bedlam followed as cheer after cheer went up in the caucus room. ("BRYAN LETTER ROUTS RADICALS," umpired the *Times*.) Almost unnoticed were the little band of irreconcilables, now doubly furious that their idol had shown feet of clay. The vote, taken after order was restored, formalized the rout — 168 for and 9 against. On September 2, the bill was first submitted to the full Banking Committee with the Republicans being presented a *fait accompli* for comment and suggestion. Consideration was a formality as was the week of House debate. Indeed, the favorable vote of 287 to 85 on September 18 proved the thesis of Wilson, the graduate student, that "the House sits . . . but to ratify the decisions of its major committees."

Autumn

Everyone concerned with the matter knew the critical test of strength would come in the Senate, and, before summer was far along, it was also obvious that the test would be extremely difficult. The Democrats held the Senate by a wafer-thin margin, and, moreover, the upper house could not be maneuvered like the lower one. Even worse was the Administration's lack of a field captain comparable to Glass.

On the contrary, there seemed some question as to which side Owen, chairman of the Senate Banking Committee, was on. Owen had surrendered his own bill, becoming the nominal co-sponsor of the Glass measure, and he demonstrated just how nominal this was by choosing the time of the House caucus to assail the regional basis of the Glass bill and its provision for compulsory membership for national banks. Mrs. Wilson was "dazed and heartsick" with the news: "Now tonight a fresh shock. The *World* reports that Owen has 'killed the currency bill!' Killed the bill that was named for him or has he gone mad?"

Called to the White House, Owen duly recanted ("OWEN STILL LOYAL," announced the *Times*), but his erratic behavior was symptomatic of troubles ahead. The tariff bill had just been whipped through the Senate by the virtually unprecedented use of a party caucus (called a "conference" in deference to senatorial sensibilities), but the price had come high in terms of resentment and irritation. The Banking Committee mirrored the mood of the parent body, and its temper showed how illusory the Democratic majority was.

Of the seven Democrats, one was the restive Owen. Another was New York's James Aloysius O'Gorman, already hostile over a patronage controversy. A third was the brilliant, witty and opinionated Gilbert M. Hitchcock of Nebraska who disliked both Bryan and Wilson. A fourth was Missouri's James Reed, irascible and pugnacious. The Admin-

istration had only four dependable votes on the 12-man committee. "We maneuvered on the slimmest of margins," recalled McAdoo. Wilson nonetheless reassured his wife:

> "No, there is no new trouble over the currency bill. I had seen all along that it is going to be a hard matter to get it through the Senate Committee . . . without radical changes because of Senator O'Gorman and Senator Hitchcock who happen to be members of the Committee and almost the only serious critics of the bill on our side of . . . the Senate."

The assurances had a hollow ring in the context of the Administration's first serious setback, which came on the issue of Senate hearings. The Administration had taken the tariff bill through both Senate and House without hearings on the plea that longstanding review and discussion had deprived such a procedure of any useful purpose. The same plea had been used on the Glass bill, successfully so in the House. The pitcher, however, went to the well once too often; the Senate overrode Administration wishes and voted to hold full-scale hearings. Accordingly, its Banking Committee became a forum for opposing views that nonetheless united in opposing the Glass bill. An eminent banker, Festus J. Wade, summed up his view of what the measure seemed to be telling him: "You must subscribe to this doctrine, give up 10 per cent of your capital and 50 per cent of your reserve money or you must go out of business or out of the national banking System." Contrariwise, Samuel Untermeyer, a prominent liberal lawyer, assailed it: "It seems to me this bill is overgenerous to banks, both in freeing them from competition and other objects; more generous than any known system of any civilized countries."

Progress at a Standstill

The hearings dragged on and on. The weather continued hot. The stalemate deepened and showed itself in the sharp tone of the President's letter to his wife: "I am perfectly well. To say that I have my back against the wall is ridiculous. The Senate is tired, some members of its Committee are irritable. . . . *Please* pay no attention to what the papers say. . . ."

Wilson apparently expected the committee to report out a bill in fairly short order, and he promised to come up to New Hampshire as soon as such action was affected. Yet, September turned into October, and the seemingly interminable hearing continued to drone along, although some Democratic dissidents showed signs of wavering in their obduracy: "Are Hitchcock and O'Gorman listening to reason? No. Hitchcock never will. O'Gorman is showing signs of yielding but not to reason — to the force of opinion. . . . A little more patience

and a little more impatience will work things out."

Pressure mounted as October wore on. McAdoo's massive deposit operation of midsummer failed to split the banking community. On the contrary, the October convention of the American Bankers Association showed a unanimity of banking sentiment opposing the Glass bill. The *Commercial and Financial Chronicle* reported that feeling against the bill ran so strong "that difficulty was experienced in keeping the resolutions in opposition within moderate bounds, so as not to give offense to the President, whose good intentions are admitted but whose endeavors are viewed with alarm."

Duplicating his tour de force on the tariff, when he actually turned the power of the opposition against itself, Wilson actually made an asset of the banker position. He brilliantly exploited the suggestion of yet another commission and refused to so much as give a hearing to the proponents of the plan: "I have seen these men. . . . The essence of their case was that nothing should be done. . . . I will not see them again. You can tell them why." Even so, it almost seemed that the President was deliberately adding to his enemies. The press (save for "a few hide-bound Democratic papers"), the publicists and the men of affairs were all coming out against the Glass bill. A prominent Chicago banker charged that the bill would deflate the money supply by $1.8 billion, an argument somewhat diminished when Senator Elihu Root would choose exactly the same figure as an inflation potential. A Yale professor said the measure would "involve the country in grave financial danger." Railroad king James J. Hill pronounced it "socialistic" and ex-Senator Nelson Aldrich "revolutionary, socialistic, and unconstitutional." Nonetheless, the President who had been in office scarcely six months was using its power and prestige as to the manner born and was more than holding his own.

He moved out cautiously against his senatorial opposition. First came a vague hint that the bill would become a party measure subject to caucus action. "That was necessary," Mrs. Wilson loyally but mistakenly wrote, "because the Republicans would fight it to the last ditch. It sounds like the sort of thing politicians would do." Correct or otherwise, the consolation was needed by Wilson. With the blistering heat continuing into early fall, the tension was telling on him even more than the Senate, and he began to complain of an inability to manage both the government and his stomach. ("I have been under the weather myself . . . for perhaps a week . . . a terrible strain if the truth be told. . . . We shall get the currency bill through in due time.") Not that he told his wife. Rather, his letters north had a light note, but even their levity suggested how necessary her devotion was to him:

"Do you realize that I have been alone in this old mansion for about half the time I have been President. . . . No doubt it was best. It does not do to indulge Presidents for twelve months together. . . . Their households are too apt to deem them great men and persuade them . . . to entertain the same notion."

The Crumbling Opposition

Wilson waited until the last week of October to force the issue in a series of meetings with the dissident Democrats of the Senate Banking Committee. The first crack in the icejam came on October 20 when Senator O'Gorman issued a statement to the *New York World* and crossed over to the Administration camp. Close on his heels followed Missouri's irascible Reed who, characteristically, extorted a presidential testimonial to his "sincere honesty and independence of judgment" as the price of surrender.

Immovable, however, was Nebraska's Hitchcock, whose obduracy received last-minute fortification from a proposal submitted by a prominent New York banker. Hitchcock had almost carried the committee with his ideas of reducing the number of reserve banks to four, having a majority of government directors thereon, and providing for popular rather than commercial bank purchase of Reserve Bank stock. "At this juncture," reports the *Congressional Record*, "outside influences began to be felt upon the committee. . . . We were told that the President could not accept the decision reached by the majority." However, these centralizing concerts received a powerful assist from Frank Vanderlip, president of the National City Bank of New York, who revived the McAdoo idea of a single government bank staffed from top to bottom with government personnel. He presented it with the approval of a large group of influential financiers who reluctantly conceded that, if forced to choose between reserve depositaries, they preferred a centralized governmental system to a decentralized semiprivate one.

Glass, however, regarded the Vanderlip proposal as a last-minute device to derail his own bill without enacting anything else. Wilson agreed and, repeating his tactic of ostracism, refused Vanderlip an interview: "It would be quite useless for me to discuss it with you." Any serious danger from the Vanderlip plan or elsewhere seemed scotched when the results of the special elections came in. "REVOLT AGAINST THE PRESIDENT ENDS IN FIASCO," reported the *Times*. "ATTEMPT AT INSURGENCY HEADED BY SENATORS O'GORMAN, REED, AND HITCHCOCK WENT TO SMASH WHEN ELECTIONS OF NOVEMBER 4 RESULTED IN PRESIDENT'S FAVOUR."

Yet Hitchcock, despite the *Times*' report, was far from undone.

He withstood Wilson's threats and blandishments alike, and on November 10 he rose in the Senate to report the Banking Committee in hopeless deadlock. Six Democrats were now supporting the Glass bill, while five Republicans plus himself supported the Hitchcock bill embodying the ideas on which he had almost sold a majority of the committee. But the purpose of Hitchcock's speech was primarily a declaration of independence, for he also disclosed that preparations for a party caucus were under way and that he did not intend to be bound by its decision.

Not only was a caucus in process of preparation, but Administration senators were circulating a petition to discharge the Banking Committee. The latter proceedings were temporarily deferred to spare the sensibilities of Owen, and he reciprocated by finally bringing the Glass bill to the floor on November 22. The committee deadlock forced him to bring it in without recommendation, and the Hitchcock bill was also reported. On November 27 the Senate's Democratic "conference" voted to make the bill a party measure. Given the Senate's tradition of independence and Hitchcock's advanced defiance, the declaration was almost meaningless.

Christmas 1913

Of extreme significance, however, was the caucus decision that the Senate would take no Christmas adjournment until the currency measure was disposed of. Doubtless even more decisive was the suggestion probably presented at this point "that the Federal Reserve Bill . . . be placed on the President's Christmas table as a gift from his devoted friends in the Democratic party."

The heart, it is said, has reasons of which the head knows nothing, and the slogan that the bill be made a Christmas present for the President apparently prevailed where the promptings of logic, the demonstrations of economics and even the inclinations of irascibility all failed. Like the initial Federal Reserve note compromise, the authorship of the plea is unknown, but like the initial compromise it bears McAdoo's promoter's touch. Whoever wrote it, it was a flourish uniting holiday cheer with party solidarity. It strengthened the waverer, converted the marginal and, above all, exorcised the possibility of a filibuster, which had always loomed in the background.

The dissolution of the filibuster threat, however, was also due in large measure to Owen, who had gone against Administration policy in permitting all sides to more than have their say in the seemingly endless committee hearings, and whose bumbling ways in this respect carried a greater wisdom than Wilson's imperious intelligence. Appropriately, it fell to Owen to make the introductory speech on the Federal Reserve bill and thereby open one of the great Senate debates. The first highwater mark came when Senator Elihu Root, fresh from receiving the Nobel Peace Prize, unlimbered a powerful intellectual attack on the bill and bent, but failed to break, the Democratic ranks.

"ROOT SEES PERIL IN MONEY BILL, PICTURES VAST INFLATION," reported the *Times*. In a sense, Root was merely echoing the jape of the Gridiron Dinner, which made the head of Coxey's Army (Jacob S. Coxey) Wilson's

first appointment to the Federal Reserve Board (notwithstanding the fact that "General" Coxey had testified against the bill). Happily for his sake, a cold kept Wilson from the Gridiron Dinner. Even in the best of health and spirits, his one-way sense of humor would not have been touched by the suggestion, and at this point both he and Mrs. Wilson badly need the Gulf Coast vacation they had planned for the Christmas holidays.

A *Holiday Delayed*

Indeed, his bags had been packed by mid-December in anticipation of final action on the Glass bill by that time. The temptation to leave on vacation irrespective of legislative progress must have been immensely tempting. Nonetheless, Wilson repeated his intransigence of early summer and announced that he would deny a holiday to himself and Congress alike until the Federal Reserve bill was out of the way. The target date now became Christmas, but it was tentative. "It is not believed here that this can be accomplished," pessimistically noted the *Times*, and some observers began to doubt whether the bill could be passed by the following summer.

Yet the unremitting presidential pressure was slowly telling. On December 17 the Senate unanimously consented to making the nineteenth the last day of debate, although not without reproach as to "a certain dictatorial mind." On the nineteenth, the really decisive vote was had, not on the Glass bill but on the Hitchcock substitute. It was rejected by the razor-thin margin of 43-41 with Reed and O'Gorman casting critically important votes in support of the Administration. The issue, of course, went far deeper than the trivial differences between the two bills, both of which contemplated regional banks, a government board and the "government bank note" currency. Rather the vote was the last critical and disputed barricade. Hence, approval of the Glass bill came as an anticlimax with even the unpredictable Hitchcock's support. "I shall vote for it. I have never for a moment had any other purpose." The tally was 54-34, and it was finished at 7:42 p.m.

Present in the gallery were Secretary McAdoo, Mrs. Wilson and Miss Margaret Wilson with a party of friends. It was a doubly appropriate gathering: McAdoo, already the closest member of the President's official family, was about to join the personal one. A middle-aged widower, he had gotten into the habit of taking the President's daughter Eleanor on evening walks from the White House to Washington Monument. Sometimes he talked of his problems, which Miss Wilson, though anxious to appear intelligent and sympathetic, found incomprehensible: "One night he began to talk about

the currency bill and I was in a panic." Perhaps he should have wondered why she preferred monologues about the Federal Reserve to dancing the turkey trot with the young army and navy officers, but it took her pending departure for the Gulf to make him realize the true character of his own feelings. He was apprehensive over the possible rebuff in revealing them and had correctly appraised what public reaction would attend any May-September engagement. Nevertheless, he was no man to hang back, spoke his mind accordingly and later recorded his successful proposal in a brief and moving sentence: "There, seated on a park bench in the evening twilight, I made my confession."

A more complex item of rapport involved agreement between the House and Senate. Although the upper chamber had passed the Glass bill in substance, the text had been amended both on the floor and in committee in a hundred particulars. With the possible exception of deposit insurance as added by the Senate and later excised, the differences fade into trivial insignificance from the perspective of 50 years. At the time, however, they seemed most substantial and prompted the Democrats to follow party-line discipline to the end. To be sure there were other reasons — the Senate-House conference on the tariff had sputtered for weeks before producing a reciprocally agreeable bill.

The Final Proceedings

On Saturday, December 20, both the Senate and House appointed conferees, and the Democrats selected promptly went into a partisan rump session that lasted on and off until 4 a.m. on Monday, December 22. The draft of the final compromise, substantially the text and tenor of the Glass bill, was back from the printer at 7 a.m., delivered to the Republicans at 1 p.m., and the *pro forma* conference meeting scheduled for 4 p.m. The Republicans were furious and refused to sign the conference report. "We were called up," protested Republican Senator Nelson, "just as a criminal is called up, after a sentence of conviction against him, and asked what we had to say why sentence of the Democrats should not be passed upon us." If at some time such a summary exercise of power might have been fatal, that time was gone, lost in momentum of victory and the press to adjourn for Christmas.

Indeed, the approaching holidays lent a genially expansive air to the final proceedings. Much of the oratory carried a good-humored note of buncombe: "The Democratic party is in control, God reigns, and all is well with the Republic," orated Congressman J. Thomas Heflin to the stormy applause of the Democratic side. A few dissenters

like maverick Republican Charles A. Lindbergh, Sr., threw the Democrats' motto back in their teeth with a denunciation of the "Christmas present to the money trust," but their resistance was as chaff before the wind. The House adopted the conference report by a lopsided 298 to 60, late on the night of December 22, and did so, appropriately, at about the same time Wilson was singing "Old Nassau" and receiving the student cheers at the Triangle Club's Washington performance.

Greater difficulty had been anticipated in the Senate, for Glass had dominated the conference and had imposed upon it virtually all of the House version. Yet even here the approaching holiday had drawn the teeth of opposition. A group of Southern senators wanted to catch a 3 p.m. train home for Christmas; as a consequence the final vote was set for 2:30 on the afternoon of the twenty-third. Numerous senators accelerated their departure even more, and the manifold pairs of nonvoters reduced the final Senate tally to 43 for, 25 against. Indeed, only four senators were left on the floor when formalities were completed.

The engrossed bill was rushed to the White House, from which calls went out for an impromptu reception to follow the signing at six that evening. Despite short notice, there was a full response. "It was a happy group," reported the *Times*, but happiness was most apparent on the face of the President's wife." At two minutes after the hour, Wilson, wearing a gray suit and using four gold pens, signed the bill into law. He first ventured a schoolmasterish quip about drawing on the gold reserve and then, on a serious note, called the bill a constitution of peace, generously gave credit to all who had worked for it and expressed his gratification over the number of Republican votes cast on final passage. He closed with a Christmas hope for prosperity and peace. The reception broke up early, the guests being forewarned of the planned presidential departure for Pass Christian. An alert correspondent of the *St. Louis Post-Dispatch* lingered long enough to catch the exchange that provided the epigraph for the legislation. It came as the guests left and the President stepped into the corridor outside the Oval Office to greet veteran doorkeeper Patrick McKenna:

"Merry Christmas, Pat."

"Merry Christmas, Mr. President."

About the Author

A native of St. Louis, Mr. Dunne is a graduate of Georgetown University and St. Louis University Law School. During World War II, he served on a destroyer in the Pacific. He joined the legal staff of the Federal Reserve Bank of St. Louis in 1949 and became General Counsel in 1963; in 1967 he was appointed to the position of Vice President. Formerly Visiting Professor of Law at the University of Missouri, he is now Professor of Law at St. Louis University.

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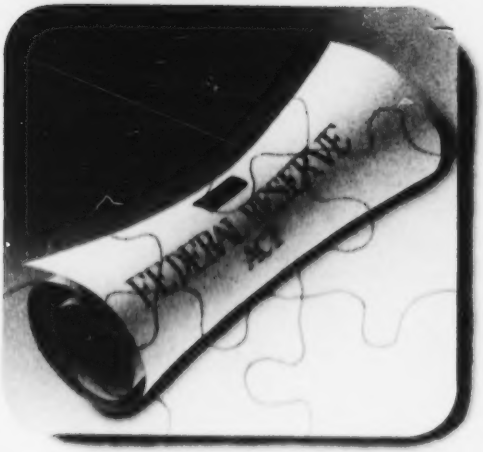
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